



OFFICE OF
INSURANCE COMMISSIONER

May 2012

An open letter to Premera and LifeWise policyholders from Insurance Commissioner Mike Kreidler

I'd like to explain my recent direction to Premera and its company, LifeWise regarding their limits on prescription drug coverage. I support the use of generic drugs and believe strongly that their use can save everyone money. I also know that many of you are struggling to keep the health insurance you have today for its affordability.

Let me be clear: Contrary to what Premera has implied, your health plan can keep generic drug coverage and even require you to use a generic drug first. Nothing in my recent decision restricts your health plan from covering generic drugs. But if you get sick and a generic drug doesn't exist for your condition or doesn't work for you, your health insurer *must let you try a brand-name drug that could work*.

I understand that generic drugs may work for many people most of the time, but it's my job to protect all insurance consumers. There are some diseases for which generic drugs may not work, such as certain cancers and mental illnesses, diabetes, MS, certain types of arthritis, and AIDS.

Legally, if a plan has prescription drug coverage it cannot restrict someone's access to a prescription drug that could be vital to a medical condition that's otherwise covered by the plan and for which they've paid a premium.

Earlier this year, we received requests from all of the major health insurers in the individual market to remove brand name drug coverage for *everyone*. If I had not acted, thousands of people would have lost vital drug coverage that could treat their condition and possibly save their lives.

I am deeply troubled by the reaction of Premera's company, LifeWise. Instead of agreeing to provide access to brand name drugs to those enrollees who need them, *they've chosen to remove prescription drug coverage from some of their plans entirely*. This is the company's choice and impacts more than 45,000 people.

Considering that it's sitting on a nearly \$1 billion in surplus beyond required reserves and that it's a not-for-profit company, Premera could certainly afford to make a better decision that's in the best interest of its members and the community.

I know that because of Premera's decision, some of you with a LifeWise catastrophic plan who want prescription drug coverage will need to choose a new plan that will likely cost more. I'm sorry you have to make that choice. Insurance companies won't be able to get away with this when health reform takes effect in 2014. Prescription drug coverage will be an essential benefit and required in all health plans.

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This may not provide you much comfort today, but it's my duty as Insurance Commissioner to ensure that all policyholders are protected and getting the full coverage they've paid for.

Lastly, I'd like to talk about rates. I take my responsibilities in reviewing rates very seriously because I know the impact an increase has on you and your family. That's why I fought for so long [to make rate requests available to the public](#). Now, you can see everything we see – what the company wants, why, and how we make our decisions.

We have [received the rate requests for Premera and LifeWise](#) for adding brand name drug, oral chemotherapy and women's preventive services and they range from -.4 to 8%. The changes will not be accepted unless the companies can justify them.

I appreciate hearing your concerns and take them seriously. I hope this gives you a better understanding of my decision.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Kreidler". The signature is fluid and cursive, with the first name "Mike" and last name "Kreidler" clearly distinguishable.

Mike Kreidler
Insurance Commissioner